

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - x

UNITED STATES OF AMERICA

- v. -

PAUL A. RINFRET,

Defendant.

- - - - - x

**COUNT ONE**  
**(Securities Fraud)**

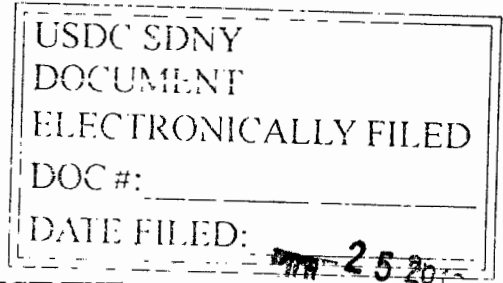
The Grand Jury charges:

**RELEVANT INDIVIDUALS AND ENTITIES**

1. At all times relevant to this Indictment, PAUL A. RINFRET, the defendant, operated a purported investment fund named Plandome Partners L.P. ("Plandome"). In or about 1984, RINFRET was censured by the New York Stock Exchange for conduct that took place while he was employed at a particular investment bank.

2. At all times relevant to this Indictment, Plandome was a New York limited partnership formed in or about September 2011. While Plandome Partners was, in fact, controlled by PAUL A. RINFRET, the defendant, one of RINFRET's daughters was listed in formation documents as the general partner, and his son was listed as a limited partner.

Additionally, a bank account was opened for Plandome Partners



**INDICTMENT**

**19 CRIM 535**

with RINFRET's same daughter listed as the only signatory and authorized user of the account (the "Plandome Bank Account"). RINFRET did not have signature authority on the Plandome Bank Account, nor does his name appear as an authorized user of the account.

### **RINFRET'S FRAUDULENT SCHEME**

3. From at least in or about 2016 through in or about June 2019, PAUL A. RINFRET, the defendant, solicited investments in Plandome through a series of fraudulent representations, including by relaying to potential investors that he would invest all of their money in a successful trading strategy with a proven track record. Specifically, RINFRET falsely represented to potential investors that he would use all of their investment funds to trade futures contracts tied to the Standard & Poor's 500 index, a stock market index based on the market capitalizations of 500 large publicly-traded companies, using a propriety trading algorithm he had developed. RINFRET represented that his compensation would be in the form of a fee equivalent to 25% of the net profits on the trades.

4. Through these representations, PAUL A. RINFRET, the defendant, obtained approximately \$19 million in total from approximately six investors. Most of these investors lived in

Manhattan, New York, and RINFRET held investment pitch meetings with at least one of these investors in Manhattan, New York.

5. In truth and in fact, once he obtained investor funds, PAUL A. RINFRET, the defendant, used only a small portion of those funds to engage in actual trading. Instead, RINFRET used most of the funds he obtained from investors to purchase luxury goods and high-end vacation rentals for himself and family members. Additionally, when RINFRET did actually engage in trading with investor funds, he generated losses.

6. To prevent investors from seeking a return of their money, and to induce additional investments, PAUL A. RINFRET, the defendant, falsely reported to investors excellent investment performance results through fraudulent monthly account statements that RINFRET typically emailed to the Victims.

### **Statutory Allegations**

7. From at least in or about May 2016 through at least in or about June 2019, in the Southern District of New York and elsewhere, PAUL A. RINFRET, the defendant, willfully and knowingly, directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails and the facilities of national securities exchanges, in connection with the purchase and sale of securities, used and employed, and

caused others to use and employ, manipulative and deceptive devices and contrivances, in violation of Title 17, Code of Federal Regulations, Section 240.10b-5, by: (a) employing, and causing others to employ, devices, schemes, and artifices to defraud; (b) making, and causing others to make, untrue statements of material fact and omitting to state, and causing others to omit to state, material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaging, and causing others to engage, in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon persons, to wit, RINFRET solicited and obtained millions of dollars from investors in Plandome Partners L.P., an entity he controlled, through false and misleading representations and then misappropriated those funds for his personal benefit.

(Title 15, United States Code, Sections 78j(b) & 78ff;  
Title 17, Code of Federal Regulations, Section 240.10b-5; and  
Title 18, United States Code, Section 2.)

**COUNT TWO**  
**(Wire Fraud)**

The Grand Jury further charges:

8. The allegations contained in paragraphs 1 through 6 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

9. From at least in or about May 2016 through at least in or about June 2019, in the Southern District of New York and elsewhere, PAUL A. RINFRET, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, RINFRET, through the use of interstate wires, solicited and obtained millions of dollars from investors in Plandome Partners L.P., an entity he controlled, through false and misleading representations and then misappropriated those funds for his personal benefit.

(Title 18, United States Code, Sections 1343 and 2.)

**FORFEITURE ALLEGATIONS**

10. As a result of committing one or more of the offenses charged in Counts One and Two of this Indictment, PAUL A. RINFRET, the defendant, shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds

traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Asset Provision

12. If any of the above described forfeitable property, as a result of any act or omission of the defendant:

(a) cannot be located upon the exercise of due diligence;

(b) has been transferred or sold to, or deposited with, a third party;

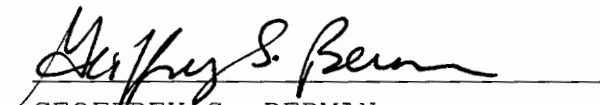
(c) has been placed beyond the jurisdiction of the Court;

(d) has been substantially diminished in value; or

(e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the above forfeitable property.

(Title 18, United States Code, Section 981,  
Title 21, United States Code, Section 853, and  
Title 28, United States Code, Section 2461.)

  
\_\_\_\_\_  
FOREPERSON  
\_\_\_\_\_  
GEOFFREY S. BERMAN  
United States Attorney

---

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

---

UNITED STATES OF AMERICA

- v. -

PAUL A. RINFRET,

Defendant.

---

INDICTMENT

19 Cr.

(15 U.S.C. §§ 78j(b) & 78ff, 17 C.F.R.  
240.10b-5; 18 U.S.C. §§ 1343 & 2.)

---

GEOFFREY S. BERMAN  
United States Attorney.

---

*Tracy Mitchell*

7/25/19  
KV

Filed Indictment  
case assigned to Judge Woods.

*Stewart Aaron*  
USM 1